

## *Social Security in Review*

---

### ***OASDI and SSI Cost-of-Living Increases for 1999***

---

The 1999 cost-of-living increase is 1.3 percent for Old-Age, Survivors, and Disability Insurance (OASDI) beneficiaries and Supplemental Security Income (SSI) recipients. The increase is reflected in Social Security benefits for December 1998 (which are payable on December 31, 1998, or on the regular payment day in January 1999 for those who receive their payment later in the month), and in the January 1999 SSI payments (which are payable on December 31, 1998).

These increases reflect the rise in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from the third calendar quarter of 1997 to the third calendar quarter of 1998. The previous year's increase was 2.1.

As a result of the 1.3-percent increase, the average monthly Social Security benefit for retired workers rose from \$770 to \$780; the average Social Security benefit for a widowed mother and two children increased from \$1,534 to \$1,554; and the Social Security benefit for a disabled worker, spouse, and one or more children changed from \$1,202 to \$1,217. The average monthly Social Security benefit for all disabled workers was \$724 before the 1.3 percent increase. After the increase went into effect, the average benefit was \$733.

Under the SSI program, the maximum monthly Federal SSI payment to an eligible individual living in his or her own household with no other countable income rose from \$494 to \$500. For a couple, where both members are eligible, the maximum Federal SSI payment increased from \$741 to \$751.

### ***Increases in Annual Contribution Rates and Exempt Earnings Amounts for 1999***

---

A number of increases affecting the Old-Age, Survivors, Disability, and Health Insurance (OASDHI) program will go into effect on January 1, 1999. The changes required under the Social Security Act represent adjustments based on increases in national average levels.

The maximum earnings base for Social Security and Medicare taxes increased from \$68,400 to \$72,600; earnings above this amount continue to be taxed for Medicare Part A. The Omnibus Budget Reconciliation Act of 1993 (OBRA 93) repealed the limitation on the amount of earnings subject to taxation for Medicare. This amount of earnings, called the Medicare contribution base, had been subject to automatic annual increases based on increases in average annual wages.

The 1998 contribution rate for employers and employees remains at 7.65—6.20 percent on wages, up to the applicable maximum taxable amount for OASDI and 1.45 percent for the Medicare portion, which has no limit. The rate for the self-employed remains the same at 15.30 percent.

For beneficiaries aged 65-69, the monthly exempt amount under the retirement earnings test in 1999 is \$1,292, up from \$1,209 for 1998. For those under age 65, the new 1999 monthly exempt amount is \$800, an increase of \$40 from the 1998 figure. A person may earn any amount without incurring loss of benefits if he or she is aged 70 or older.

In 1999, a worker with \$740 in covered employment was credited with a quarter of coverage. To earn a quarter of coverage in 1998, an individual needed to have \$700 from employment covered by Social Security; he or she may earn a maximum of 4 quarters of program-covered earnings per year.

### ***SSA Provides Assistance to Victims of Domestic Violence***

---

SSA joins with other Federal agencies to provide greater assistance to victims of domestic violence. Some victims seeking to elude their abuser and reduce the risk of further violence choose to establish a new identity. As part of that effort, it may be helpful to obtain a new Social Security number (SSN).

Effective immediately, SSA will issue a new SSN based on an individual's written affirmation of the domestic abuse, supported by a third-party affidavit from sources such as police, medical professionals, or locally recognized battered victims shelters. Previously, SSA required evidence showing that an individual is being abused and that misuse of the SSN was playing a role in carrying out that abuse. Now, SSA will presume SSN misuse is possible in all abuse cases.